## **DECLARATION OF SANDY KIERNAN**

- 1. My name is Sandy Kiernan. I am Carrier Relations Manager at Vanguard Cellular Systems, Inc., which is located at 2002 Pisgah Church Road, Greensboro, North Carolina. I have worked at Vanguard for about four and a half years.
- 2. I am responsible for overseeing interconnection matters. In addition, my group is responsible for all interconnection ordering, billing, technical issues. I am responsible for supervising billing of charges for interconnection-related services provided by Vanguard to other telecommunications service providers. Consequently, I am familiar with carrier-to-carrier billing issues. I also am responsible for Vanguard's relationships with interexchange carriers.
- 3. I have a Bachelor's degree in Business from Marshall University. I also have completed significant course work towards a Master's degree in Business Administration.
- 4. I have investigated the costs of doing billing and collection for Vanguard for the calling party pays service option. Based on that investigation and my experience in billing matters I have determined that the average cost of generating a bill is \$2.50 to \$3.00. This figure includes the costs of recording, transmitting and formatting the bills as well as the costs of printing, stuffing, and posting of the bills and the envelopes. This cost does not include processing costs, collection costs, or the additional costs of finding names and addresses. By comparison, the cost of adding a call, such as a roaming call to an existing bill is approximately \$0.05.
- 5. Based on my experience and knowledge, the average length of a wireless call is approximately 2.5 minutes. If Vanguard were to charge typical current airtime rates for CPP calls, the cost for the caller would be approximately \$0.36 to \$0.37 per minute. Thus, the charge for a typical call would be \$1.08 to \$1.11.
- 6. In light of these figures, I have concluded that wireless billing and collection for CPP would be economically infeasible for Vanguard because it is almost certain that the cost of generating bills for only a few calls will be higher than the cost of the calls themselves. Given the size of Vanguard's subscriber base, it is likely that Vanguard would have to generate tens or hundreds of thousands of CPP bills to landline customers every month. The vast majority of these bills would be \$5.00, \$3.00 or less. Moreover, and as noted above, there are significant costs that have not been included in my calculations. These additional costs would make individual billing by Vanguard even less feasible.
- 7. Bad debt for Vanguard also will increase substantially when bills to LEC customers are small. It will be essentially impossible for Vanguard to collect from LEC customers who do not pay these charges because the costs of collection would far exceed the potential revenues. In addition, because the overwhelming majority of CPP callers will have no contractual relationship with Vanguard, and because the bills are likely to be so small, the likelihood that these callers will choose to not pay a standalone bill is particularly high.

- 8. In light of my experience with the Vanguard/LEC interconnection negotiations, I have concluded that negotiating individual LEC/CMRS arrangements for CPP is economically infeasible and would prove too time consuming for Vanguard. Vanguard has devoted substantial resources to its interconnection negotiations, including three in-house counsel, two carrier relations personnel (including myself) and three outside counsel to complete 13 interconnection agreements over a period of 21 months. This was a significant expenditure for a mid-sized carrier like Vanguard. Consequently, negotiation with LECs for billing and collection for CPP is not a suitable alternative to a ruling requiring LEC billing and collection and will eliminate Vanguard's ability to offer CPP based on the time and costs associated with the negotiations.
- 9. I also have investigated the availability of billing services from other entities, such as national billing clearinghouses. Based on my investigation and analysis, it appears that clearinghouses are not a viable alternative to LEC billing. I am unaware of any entity that is capable of providing ubiquitous billing and collection across the country. Thus, even if Vanguard entered into an agreement with a national clearinghouse for billing and collection, Vanguard would not be able to offer CPP on a uniform, national basis.

I declare under penalty of verjury that the foregoing is true and correct.

Executed on May 8, 1998

Sandy Kiernan

## **CERTIFICATE OF SERVICE**

I, Jeanette M. Corley, a secretary at Dow, Lohnes & Albertson, PLLC, do hereby certify that on this 8th day of May, 1998, I caused copies of the foregoing "Comments of Vanguard Cellular Systems, Inc." to be served upon the parties listed below via hand delivery:

William E. Kennard, Chairman Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Harold Furchtgott-Roth, Commissioner Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

Michael Powell, Commissioner Federal Communications Commission 1919 M Street, N.W. Washington, D.C. 20554

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